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LOK SABHA

The following Bill was introduced in Lok Sabha on the 15th November, 1962:—

BILL NO. 94 OF 1962

A Bill further to amend the Multi-unit Co-operative Societies Act, 1942.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:—

1. This Act may be called the Multi-unit Co-operative Societies Short title.
(Amendment) Act, 1962.

6 of 1942. 5 2. In section 5A of the Multi-unit Co-operative Societies Act, 1942 Amendment
(hereinafter referred to as the principal Act),— of section
5A.

10 (i) in sub-section (2) for the words, "including proposals regarding the formation of new co-operative societies and the transfer thereto of the assets and liabilities of that society" the following shall be substituted, namely:—

"including proposals regarding,—

(a) the formation of new co-operative societies and the transfer thereto, in whole or in part, of the assets and liabilities of that society; or

15 (b) the transfer, in whole or in part, of the assets and liabilities of that society to any other co-operative societies in existence immediately before the date of that meeting of the general body.";

(ii) after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) Notwithstanding anything contained in this section, where a scheme under sub-section (2) includes any proposal regarding the transfer of the assets and liabilities of any co-operative society to any other existing co-operative society referred to in clause (b) thereof, the scheme shall not be binding on that existing society or the shareholders and creditors thereof, unless the proposal regarding such transfer is accepted by the existing society by a resolution passed by a majority of the members present at a meeting of its general body.”

Amendment
of section
6.

3. Section 6 of the principal Act shall be re-numbered as sub-section (1) of that section and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”

STATEMENT OF OBJECTS AND REASONS

As a result of the re-organisation of States, certain co-operative societies which had their objects confined to one State only became multi-unit co-operative societies. Section 5A of the Multi-unit Co-operative Societies Act, 1942, provides for the re-constitution and re-organisation of such multi-unit co-operative societies as intra-State co-operative societies and for the formation of new co-operative societies and the transfer thereto of the assets and liabilities of such multi-unit co-operative societies. In some cases it has been found that it is not necessary to form new societies and it would be more convenient if the assets and liabilities of a multi-unit co-operative society are transferred to an existing co-operative society. The present Bill seeks to make the transfer of such assets and liabilities to any existing co-operative society also possible. The transfer to an existing co-operative society would be subject to a resolution of the general body of such society accepting the same.

NEW DELHI;

The 23rd September, 1962.

S. K. DEY.

M. N. KAUL,

Secretary.

